

## CITY OF RIVERSIDE

### BOARD OF PUBLIC UTILITIES

Minutes of: Regular Meeting of the Board of Public Utilities  
Date of Meeting: January 6, 2006  
Time of Meeting: 8:15 a.m.  
Place of Meeting: Art Pick Council Chamber, City Hall  
3900 Main Street (at Tenth & Main Streets)  
Riverside, California

### **PLEDGE OF ALLEGIANCE WAS GIVEN TO THE FLAG**

#### **Roll Call**

Present:	Peter Hubbard (Chairman)	Jim Anderson (Vice Chair)
	Bob Stockton	Ken Sutter
	Joe Tavaglione	Greg Kraft
	Dave Barnhart	

Absent: Conrad Newberry, Jr., P.E. (absent due to vacation)  
Lalit Acharya (absent due to business)

#### **MINUTES**

- (1) The regular meeting minutes from the Board of Public Utilities meeting held on December 16, 2005 was deferred to the next Board meeting on January 20, 2006.

#### **CITIZENS PARTICIPATION**

No comments were made.

#### **COMMITTEE REPORTS**

##### **FINANCE/MARKETING COMMITTEE REPORT**

The Board of Public Utilities accepted and filed the December 21, 2005, Finance/Marketing Committee minutes.

#### **CONSENT CALENDAR**

A motion was made to approve the following items on the Consent Calendar:

Motion – Barnhart. Second – Tavaglione.

Ayes: Hubbard, Anderson, Barnhart, Tavaglione, Sutter, Kraft, and Stockton.

Noes: None

Abstain: None.

Absent: Conrad Newberry, Jr., P.E. (absent due to vacation)  
Lalit Acharya (absent due to business)

## **ELECTRIC ITEMS**

(2) **VAN BUREN BOULEVARD AND CALIFORNIA STREET IMPROVEMENT  
WORK ORDER 050006-23**

The Board of Public Utilities approved the estimated capital expenditure of \$75,000 to relocate poles at Van Buren Boulevard and California Avenue.

*This work is part of the Street Improvement Project.*

(3) **12 kV UNDERGROUND LINE EXTENSION  
WORK ORDER 060113-32**

The Board of Public Utilities approved the estimated capital expenditure of \$65,000 to install underground primary line extensions to serve four commercial buildings located at La Sierra Avenue southerly of Indiana Avenue.

*Funds are budgeted and available for this project in the Substation Bus Upgrade Account No. 6130000-470616.*

(4) **CIRCUIT 1251 SWITCH REPLACEMENT  
WORK ORDER 060114-08**

The Board of Public Utilities approved the estimated capital expenditure of \$75,000 to replace one deteriorated submersible switch with a padmounted air switch located on Victoria Avenue at Mary Street.

*Funds are budgeted and available for this project in the Line Rebuilds Account No. 6130000-470603.*

(5) **CLOSEOUT REPORT FOR WORK ORDER 674115, INCREASE IN WORK  
ORDER APPROVED EXPENDITURES, AND FINAL CHANGE ORDER ON THE  
CONSTRUCTION CONTRACT FOR THE DOWNTOWN POWER UPGRADE  
PROJECT**

The Board of Public Utilities:

1. Received and filed this report;
2. Approved an increase in expenditures on Work Order 674115 from \$7,089,804 to a total of \$7,670,000; and
3. Approved and recommended the issuance of a change order in the amount not-to-exceed \$580,000 (18 percent) to the original contract amount of \$3,184,120 for Bid No. 6094.

## **WATER ITEMS**

## **OTHER ITEMS**

(6) **SECOND AMENDMENT TO THE ELECTRIC SERVICE AGREEMENT BETWEEN GOODRICH AEROSTRUCTURES GROUP AND THE CITY OF RIVERSIDE**

The Board of Public Utilities approved and recommended that the City Council approve the Second Amendment to the existing Electric Service Agreement between Goodrich Aerostructures Group and the City of Riverside, California.

## **DISCUSSION CALENDAR**

(7) **ISSUANCE OF PURCHASE ORDER TO DELTA STAR, INC., FOR REFURBISHMENT OF MOBILE SUBSTATION NO. 1 – WORK ORDER 0500956**

Principal Electric Engineer Dave Redding reported to the Board that to extend the life and service reliability of Mobile Substation No. 1, refurbishment is necessary. These repairs and upgrades must be completed by July 2006 to have the unit available during the summer high load period. In order to meet this timeline, staff recommends that the refurbishment be procured through Delta Star, Inc. (Delta Star).

The Board of Public Utilities:

1. Authorized the City Manager to issue a purchase order in an amount not-to-exceed \$191,223 to Delta Star, Inc., for the refurbishment of Mobile Substation No. 1; and
2. Approved the estimated capital expenditure of \$230,000 for Work Order 0500956 for the refurbishment of Mobile Substation No. 1.

Motion – Tavaglione. Second – Stockton.

Ayes: Hubbard, Anderson, Barnhart, Tavaglione, Sutter, Kraft, and Stockton.

Noes: None

Abstain: None.

Absent: Conrad Newberry, Jr., P.E. (absent due to vacation)  
Lalit Acharya (absent due to business)

(8) **MEMORANDUM OF UNDERSTANDING (MOU) FOR JOINT WORK WITH WESTERN MUNICIPAL WATER DISTRICT OF RIVERSIDE COUNTY**

Public Utilities General Manager Dave Wright reported that the staffs of Riverside Public Utilities (RPU) (Council Members Art Gage and Steve Adams, and Board Member Bob Stockton) and Western Municipal Water District (WMWD) (Liz Cunnison and Wayne Holcomb) and have identified a range of projects, which offer mutually beneficial opportunities for joint work, to be placed into a formal Memorandum of Understanding (MOU). It was stressed there is no commitment to these projects but just investigation and joint action.

WMWD Board Member Liz Cunnison was in attendance and spoke on behalf of

the WMWD Board that they are very supportive and enthusiastic regarding this MOU and requested the Board of Public Utilities endorse it.

Board Vice Chair Anderson expressed his concerns regarding the lack of adequate regional planning for potential long-term water shortages. Using the example of the possible failure of the Sacramento Delta due to a natural disaster, he stressed the need for regional planning and cooperation and recommended that this issue be included in the MOU with Western Municipal Water District.

The Board of Public Utilities endorsed the concept of development of a Memorandum of Understanding (MOU) for joint work on the attached items of interest.

Motion – Anderson. Second – Tavaglione.

Ayes: Hubbard, Anderson, Barnhart, Tavaglione, Sutter, Kraft, and Stockton.

Noes: None

Abstain: None.

Absent: Conrad Newberry, Jr., P.E. (absent due to vacation)  
Lalit Acharya (absent due to business)

(9) 2004-2005 YEAR-FINANCIAL RESULTS – UPDATE

Finance/Rates Manager Reiko Kerr gave an update of the 2004-2005 Year-Financial results and distributed a CD of Riverside Public Utilities' financial annual report. Ms. Kerr also thanked and praised the key finance staff, Cindy Reeley, Shelly Almgren, and Kim Wyman, for their hard work in preparing this report.

The following were the financial highlights of the update:

Electric Utility

- Another strong year
- Retail Sales all time record > \$205 million
- Wholesale sales up 59%
- Fitch Rating Agency upgraded bonds to AA-
- 94% of overall operating budget spent
- \$47.9 million for construction RERC
- \$46.7 million of construction projects
- Unrestricted Cash & Reserves up \$17.5 million
- Transferred \$18.6 million to General Fund

Water Utility

- The Water Utility's performance was close to expectations
- Retail sales > \$30 million
- \$17.1 million of capital projects
- Spent 99% of operating budget
- Transferred \$3.5 million to general fund

After asking numerous questions, the Board of Public Utilities received and filed this update.

(10) ITEMS FOR FUTURE BOARD OF PUBLIC UTILITIES CONSIDERATION AS REQUESTED BY MEMBER OF THE BOARD OF PUBLIC UTILITIES

**DIRECTOR'S REPORT**

- (A) State and Federal Legislative Update
- (B) Monthly Power Supply Report — November 2005
- (C) Rolling Calendar Outlining Future Utility Projects as of December 30, 2005
- (D) City Council Agendas – December 20, 2005 and January 3, 2006 (December 27, 2005 was cancelled)

**SYSTEMATIC REPORTING ON CONFERENCES/SEMINARS**

**UPCOMING MEETING**

Chairman Peter Hubbard adjourned the meeting at 9:17 a.m. to the next regularly scheduled meeting of the Board of Public Utilities to be held on **Friday, January 20, 2006**, at **8:15** a.m. at the Utilities Plaza Conference Room located at 3460 Orange Street (at Fifth and Orange Streets) in Riverside, California.

By: \_\_\_\_\_  
David H. Wright, Secretary  
Board of Public Utilities

Approved by: City of Riverside Board of Public Utilities

Dated: January 20, 2006